

[Submitting Counsel on Signature Page]

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

IN RE JUUL LABS, INC.,
MARKETING, SALES PRACTICES,
AND PRODUCTS LIABILITY
LITIGATION

This Document Relates to:

*San Francisco Unified School District v.
Juul Labs, Inc. et al., Case No. 3:19-cv-
08177*

Case No. 19-md-02913-WHO

TRIAL TESTIMONY AND EXHIBITS
FROM THE VIDEOTAPED TESTIMONY
OF KEVIN CROSTHWAITE,
CEO/CHAIRMAN OF JUUL, PLAYED AT
TRIAL

Plaintiff, by and through its undersigned attorneys, hereby docket the following:

1. **Exhibit 1** is a report of the videotaped testimony of Kevin Crosthwaite, CEO/Chairman of JUUL, that was played to the jury on April 27, 2023. The testimony in blue 00:42:58 and light blue 00:00:00 is Plaintiff's affirmative and counter-counter designations.
2. **Exhibit 2:** is a *Joint Stipulation Identifying Trial Exhibits Used In Videotaped Depositions of Kevin Crosthwaite Played at Trial* that sets forth all of the Trial Exhibits from the videotaped testimony of Kevin Crosthwaite admitted into evidence by the Court.

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EXHIBIT 1

CROSTHWAITE, KEVIN SFUSD

FINAL_PLAYED 04-27-23

Designation List Report



Crosthwaite, Kevin
Crosthwaite, Kevin

2021-10-07

2021-10-08

PLF AFFIRMATIVE 00:42:58

DEF COUNTER 00:07:43

TOTAL RUN TIME **00:50:41**



Documents linked to video:

CROSTHWAITE45004
CROSTHWAITE45005
CROSTHWAITE45009
CROSTHWAITE45015
CROSTHWAITE45018
CROSTHWAITE45019
CROSTHWAITE45026
CROSTHWAITE45028
CROSTHWAITE45037
CROSTHWAITE45039
CROSTHWAITE45041
CROSTHWAITE45044
CROSTHWAITE45047
CROSTHWAITE45050
CROSTHWAITE45056

CK_v13 - CROSTHWAITE, KEVIN SFUSD FINAL_PLAYED 04-27-23

DESIGNATION	SOURCE	DURATION	ID
17:16 - 17:21	Crosthwaite, Kevin 2021-10-07_WIT	00:00:08	CK_v13.1
	17:16 BY MS. LONDON:		
	17:17 Q. Good morning.		
	17:18 A. Morning.		
	17:19 Q. Can you please state your full		
	17:20 name for the record.		
	17:21 A. Sure, K.C. Crosthwaite.		
19:21 - 20:05	Crosthwaite, Kevin 2021-10-07_WIT	00:00:14	CK_v13.2
	19:21 Q. So what's your current		
	19:22 occupation?		
	19:23 A. I am CEO of JUUL Labs.		
	19:24 Q. And chairman of the board,		
	19:25 correct?		
	20:01 A. And chairman of the board,		
	20:02 correct.		
	20:03 Q. Before that you were an		
	20:04 executive at Altria?		
	20:05 A. Correct.		
20:06 - 20:09	Crosthwaite, Kevin 2021-10-07_WIT	00:00:08	CK_v13.3
	20:06 Q. And that was the company that		
	20:07 used to be known as Philip Morris, correct?		
	20:08 A. Philip Morris Companies		
	20:09 technically, but yes.		
20:10 - 20:23	Crosthwaite, Kevin 2021-10-07_WIT	00:00:30	CK_v13.4
	20:10 Q. Before you were the -- an		
	20:11 executive at Altria, you were a CEO of Philip		
	20:12 Morris USA, right?		
	20:13 A. Correct, I was -- during my		
	20:14 career at Philip Morris -- excuse me, at		
	20:15 Altria's family of companies, I was CEO of		
	20:16 Philip Morris USA.		
	20:17 Q. Philip Morris USA, that's the		
	20:18 company that sells Marlboro in America,		
	20:19 right?		
	20:20 A. Yes. Philip Morris USA is		
	20:21 Marlboro, other brands, and also includes the		
	20:22 John Middleton Company, so there's another		
	20:23 company in there.		
20:24 - 21:01	Crosthwaite, Kevin 2021-10-07_WIT	00:00:06	CK_v13.5

CK_v13 - CROSTHWAITE, KEVIN SFUSD FINAL_PLAYED 04-27-23

DESIGNATION	SOURCE	DURATION	ID
	20:24 Q. Do you have any current 20:25 financial interest in Altria? 21:01 A. I do not.		CK_v13.5
21:08 - 21:10	Crosthwaite, Kevin 2021-10-07_WIT	00:00:06	CK_v13.6
	21:08 Q. Do you have any financial 21:09 interest currently in Philip Morris USA? 21:10 A. No, I do not.		
45:22 - 45:25	Crosthwaite, Kevin 2021-10-07_WIT	00:00:09	CK_v13.7
	45:22 You've been in the nicotine 45:23 delivery business since 1997, right? 45:24 A. I think it was June of 1997 45:25 sounded correct.		
56:25 - 57:01	Crosthwaite, Kevin 2021-10-07_WIT	00:00:08	CK_v13.8
	56:25 I'm going to go ahead and mark 57:01 as the next numbered exhibit 45004.		
57:20 - 58:03	Crosthwaite, Kevin 2021-10-07_WIT	00:00:24	CK_v13.9
⌚ CROSTHWAIT E45004.1.1	57:20 Q. Mr. Crosthwaite, I've put up on 57:21 the screen Exhibit 45004, and this is a 57:22 version of your LinkedIn page that we had 57:23 downloaded several months ago. 57:24 Do you recognize Exhibit 45004? 57:25 A. Do you mind scrolling down. It 58:01 very well -- I have no reason to think it's 58:02 not, but I just didn't see all of it. 58:03 (Document review.)		
58:04 - 58:05	Crosthwaite, Kevin 2021-10-07_WIT	00:00:03	CK_v13.10
	58:04 A. That does look like an old 58:05 version of mine.		
58:16 - 58:18	Crosthwaite, Kevin 2021-10-07_WIT	00:00:08	CK_v13.11
⌚ CROSTHWAIT E45004.2.1	58:16 You started out as a territory 58:17 sales manager? 58:18 A. Correct.		
61:10 - 61:18	Crosthwaite, Kevin 2021-10-07_WIT	00:00:28	CK_v13.12
	61:10 Q. And what were you told from 61:11 your employer, Philip Morris, about the 61:12 health risks of cigarettes before you went		

CK_v13 - CROSTHWAITE, KEVIN SFUSD FINAL_PLAYED 04-27-23

DESIGNATION	SOURCE	DURATION	ID
	61:13 out to sell them? 61:14 A. I don't recall the specific 61:15 training that I went through in 1997. I 61:16 can't characterize or speak to what I was 61:17 told in a training. I just don't remember 61:18 it.		
65:24 - 66:04	Crosthwaite, Kevin 2021-10-07_WIT	00:00:13	CK_v13.13
☒ Clear	65:24 Q. At some point in time you've 65:25 come to become familiar with the 1988 Surgeon 66:01 General's report, right? 66:02 A. Yeah, I'd have to look back 66:03 over it again, but I do recall in the past 66:04 having been familiar with it.		
66:05 - 66:11	Crosthwaite, Kevin 2021-10-07_WIT	00:00:03	CK_v13.14
🔗 CROSTHWAIT E45005.1.1	66:05 Q. Okay. Why don't we pull up 66:06 Demonstrative B. 66:07 (Whereupon, Deposition Exhibit 66:08 Crosthwaite-45005, Demonstrative, 66:09 Excerpt from 1988 Surgeon General 66:10 Report, was marked for 66:11 identification.)		
66:16 - 66:21	Crosthwaite, Kevin 2021-10-07_WIT	00:00:16	CK_v13.15
	66:16 Q. Mr. Crosthwaite, I've put up on 66:17 the screen to refresh your memory a 66:18 demonstrative showing the major conclusions 66:19 of the 1988 Surgeon General's report. 66:20 You see that? 66:21 A. Yes, I see it.		
68:03 - 68:07	Crosthwaite, Kevin 2021-10-07_WIT	00:00:14	CK_v13.16
	68:03 You do know that for many, many 68:04 years, Philip Morris denied that its 68:05 cigarettes were addictive, right? 68:06 A. Yes, that is my understanding 68:07 of the past in the company.		
68:08 - 68:11	Crosthwaite, Kevin 2021-10-07_WIT	00:00:10	CK_v13.17
	68:08 Q. And at some point that position 68:09 changed, right? 68:10 A. Correct. I just can't recall		

CK_v13 - CROSTHWAITE, KEVIN SFUSD FINAL_PLAYED 04-27-23

DESIGNATION	SOURCE	DURATION	ID
	68:11 exactly when that position changed.		
71:25 - 72:22	Crosthwaite, Kevin 2021-10-07_WIT	00:01:05	CK_v13.18
	71:25 A. So I haven't reviewed this		
	72:01 whole document, but I have no reason to		
	72:02 disagree with the conclusion of the Surgeon		
	72:03 General.		
	72:04 BY MS. LONDON:		
🔗 CROSTHWAIT E45005.1.2	72:05 Q. One of those conclusions is		
	72:06 that the pharmacologic and behavioral		
	72:07 processes that determine nicotine addiction		
	72:08 are similar to those that determine addiction		
	72:09 to drugs such as heroin and cocaine.		
	72:10 With that specific conclusion,		
	72:11 has Philip Morris ever admitted to that to		
	72:12 your knowledge?		
	72:13 A. To my knowledge, I'm not aware		
	72:14 if they have had an admission to conclusion		
	72:15 number 3.		
	72:16 Q. And as the CEO of JUUL Labs,		
	72:17 you will agree with it, though, right?		
	72:18 A. I can tell you I can't speak		
	72:19 to, again, whether or not number 3, as CEO of		
	72:20 JUUL Labs, is just not something that we have		
	72:21 looked at or studied. It's difficult for me		
	72:22 to make the conclusion for e-vapor, JUUL.		
76:19 - 76:22	Crosthwaite, Kevin 2021-10-07_WIT	00:00:08	CK_v13.19
🔗 CROSTHWAIT E45004.2.2	76:19 Q. So you moved up from a		
	76:20 territory sales manager to managing other		
	76:21 territory sales managers, right?		
	76:22 A. Correct.		
79:04 - 79:07	Crosthwaite, Kevin 2021-10-07_WIT	00:00:10	CK_v13.20
🔗 CROSTHWAIT E45004.2.3	79:04 Q. Then you were promoted again,		
	79:05 so you must have been successful, right?		
	79:06 A. I like to think so. Yes, I was		
	79:07 then a district manager --		
82:04 - 82:10	Crosthwaite, Kevin 2021-10-07_WIT	00:00:26	CK_v13.21

CK_v13 - CROSTHWAITE, KEVIN SFUSD FINAL_PLAYED 04-27-23

DESIGNATION	SOURCE	DURATION	ID
🔗 CROSTHWAIT	82:04 Q. What was your next role? E45004.2.4		CK_v13.21
	82:05 A. At that time I moved to 82:06 New York City and worked in the corporate -- 82:07 sorry -- worked in the corporate headquarters 82:08 and moved into the brand management 82:09 organization as the director of Marlboro New 82:10 Products.		
96:17 - 96:21	Crosthwaite, Kevin 2021-10-07_WIT	00:00:18	CK_v13.22
☒ Clear	96:17 Q. And, Mr. Crosthwaite, we talked 96:18 about people just starting to smoke and 96:19 experimenting. What's your understanding of 96:20 when most people first begin to start 96:21 smoking? How old are they?		
96:24 - 97:03	Crosthwaite, Kevin 2021-10-07_WIT	00:00:16	CK_v13.23
	96:24 A. I can't give you a concrete 96:25 answer to when exactly the age is that 97:01 someone starts smoking. Generally it's, you 97:02 know, younger adult versus an older adult, 97:03 but that's my understanding.		
97:15 - 97:17	Crosthwaite, Kevin 2021-10-07_WIT	00:00:06	CK_v13.24
	97:15 Is it your 97:16 testimony that most Americans first begin 97:17 smoking over the age of 21?		
97:20 - 97:22	Crosthwaite, Kevin 2021-10-07_WIT	00:00:10	CK_v13.25
	97:20 A. Yeah, so it is my understanding 97:21 that, you know, most that start using 97:22 cigarettes do so when they're 18 and over.		
97:24 - 98:05	Crosthwaite, Kevin 2021-10-07_WIT	00:00:03	CK_v13.26
🔗 CROSTHWAIT	97:24 Q. I'm going to draw your E45009.1.1 attention to Demonstrative K.		
	97:25 98:01 (Whereupon, Deposition Exhibit 98:02 Crosthwaite-45009, Demonstrative, 98:03 Excerpt from 2012 Surgeon General 98:04 Report, was marked for 98:05 identification.)		
98:08 - 98:18	Crosthwaite, Kevin 2021-10-07_WIT	00:00:24	CK_v13.27
	98:08 Q. Mr. Crosthwaite, you're		

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DESIGNATION	SOURCE	DURATION	ID
	98:09 familiar, of course, with the 2012 Surgeon 98:10 General's report on Preventing Tobacco Use 98:11 Among Youth and young Adults, right? 98:12 A. I'd have to refresh my memory 98:13 on this 2012 report. 98:14 Q. You have seen it though, 98:15 correct? 98:16 A. I do recall at some point 98:17 having looked at it, but I would have to 98:18 refresh my memory to get through it.		
101:24 - 101:25	Crosthwaite, Kevin 2021-10-07_WIT	00:00:04	CK_v13.28
	101:24 Q. Now, this report is talking 101:25 about --		
102:02 - 102:10	Crosthwaite, Kevin 2021-10-07_WIT	00:00:21	CK_v13.29
🔗 CROSTHWAIT E45009.1.2	102:02 Q. -- preventing tobacco use among 102:03 youth and young adults, and it states: 102:04 Prevention efforts must focus on both 102:05 adolescents and young adults because among 102:06 adults who become daily smokers, nearly all 102:07 first use of cigarettes occurs by 18 years of 102:08 age. 102:09 Do you see that? 102:10 A. I do.		
102:11 - 102:16	Crosthwaite, Kevin 2021-10-07_WIT	00:00:12	CK_v13.30
	102:11 Q. The 88%. And then with 99% of 102:12 first use by 26 years of age. 102:13 Do you see that? 102:14 A. I do see it. 102:15 Q. Is that surprising information 102:16 to you?		
102:19 - 102:20	Crosthwaite, Kevin 2021-10-07_WIT	00:00:04	CK_v13.31
	102:19 A. No, I don't -- I wouldn't 102:20 characterize that as surprising to me.		
129:19 - 130:06	Crosthwaite, Kevin 2021-10-07_WIT	00:00:37	CK_v13.32
🔗 CROSTHWAIT E45004.2.5	129:19 Q. So you moved on to become the 129:20 director of Marlboro Smokeless. Was that 129:21 lateral or a promotion?		

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DESIGNATION	SOURCE	DURATION	ID
	<p>129:22 A. It was a lateral move.</p> <p>129:23 Q. And tell me, please, what were</p> <p>129:24 your responsibilities as the director of</p> <p>129:25 Marlboro Smokeless?</p> <p>130:01 A. Yeah, so at that time, Marlboro</p> <p>130:02 did not really have any noncombustion product</p> <p>130:03 in the portfolio. So we were looking at</p> <p>130:04 noncombustion smokeless alternatives to</p> <p>130:05 combustion cigarettes. And I worked on that</p> <p>130:06 project.</p>		
146:16 - 146:22 🔗 CROSTHWAIT E45004.1.2	Crosthwaite, Kevin 2021-10-07_WIT	00:00:22	CK_v13.33
	<p>146:16 Q. in</p> <p>146:17 December of 2013, you came back into Philip</p> <p>146:18 Morris USA, right?</p> <p>146:19 A. Yes, I think that is correct.</p> <p>146:20 Q. And you were the vice president</p> <p>146:21 and general manager of Marlboro?</p> <p>146:22 A. Correct.</p>		
150:12 - 150:15 🔗 CROSTHWAIT E45004.1.3	Crosthwaite, Kevin 2021-10-07_WIT	00:00:12	CK_v13.34
	<p>150:12 Q. So your next assignment was the</p> <p>150:13 vice president of strategy and business</p> <p>150:14 development for Altria overall, right?</p> <p>150:15 A. Correct.</p>		
151:14 - 151:17 🔗 CROSTHWAIT E45004.1.4	Crosthwaite, Kevin 2021-10-07_WIT	00:00:12	CK_v13.35
	<p>151:14 Q. then you were moved on</p> <p>151:15 from the strategy group to Philip Morris USA</p> <p>151:16 as their CEO, right?</p> <p>151:17 A. Correct.</p>		
152:24 - 153:05 ☒ Clear	Crosthwaite, Kevin 2021-10-07_WIT	00:00:17	CK_v13.36
	<p>152:24 Q. All right. Now, let's talk</p> <p>152:25 about your role as the CEO of Philip Morris</p> <p>153:01 There you ran the cigarette and cigar</p> <p>153:02 business, right?</p> <p>153:03 A. Correct. So Philip Morris USA</p> <p>153:04 did include the combustion business and the</p> <p>153:05 machine-made cigar business.</p>		

CK_v13 - CROSTHWAITE, KEVIN SFUSD FINAL_PLAYED 04-27-23

DESIGNATION	SOURCE	DURATION	ID
153:12 - 153:16	Crosthwaite, Kevin 2021-10-07_WIT	00:00:12	CK_v13.37
	153:12 Q. Okay. Now, as the CEO of 153:13 Philip Morris USA, you certainly understood 153:14 the harm that combustible cigarettes cause to 153:15 both people and the country of America, 153:16 right?		
153:20 - 153:21	Crosthwaite, Kevin 2021-10-07_WIT	00:00:07	CK_v13.38
	153:20 A. Yes. I was aware of the harm 153:21 caused from consumers that use cigarettes.		
156:24 - 157:05	Crosthwaite, Kevin 2021-10-07_WIT	00:00:15	CK_v13.39
	156:24 Q. And Marlboro had sales that 156:25 were greater than the next seven leading 157:01 competitors combined. 157:02 Do you recall that? 157:03 A. That's -- that sounds about 157:04 right. I'm just doing the math in my head, 157:05 but that sounds about right.		
159:25 - 160:02	Crosthwaite, Kevin 2021-10-07_WIT	00:00:08	CK_v13.40
	159:25 Q. Marlboro has long been and 160:01 still is the most popular cigarette brand 160:02 among adolescents, correct?		
160:05 - 160:12	Crosthwaite, Kevin 2021-10-07_WIT	00:00:20	CK_v13.41
	160:05 A. Yes, I don't know what the 160:06 recent numbers are for Marlboro. Marlboro 160:07 being the largest brand among adults 160:08 certainly has ended up in the past in the 160:09 hands of underage consumers, just given the 160:10 sheer size and availability of Marlboro, but 160:11 I can't speak to exactly where that sits 160:12 today.		
160:14 - 160:18	Crosthwaite, Kevin 2021-10-07_WIT	00:00:11	CK_v13.42
	160:14 Q. when 160:15 you were the CEO of Philip Morris USA, did 160:16 you have any understanding as to whether 160:17 Marlboro was the most popular cigarette among 160:18 adolescents at that time?		
160:20 - 160:21	Crosthwaite, Kevin 2021-10-07_WIT	00:00:06	CK_v13.43
	160:20 A. So as CEO, it's not something I		

CK_v13 - CROSTHWAITE, KEVIN SFUSD FINAL_PLAYED 04-27-23

DESIGNATION	SOURCE	DURATION	ID
	160:21 studied as CEO of PM USA.		
162:02 - 162:10	Crosthwaite, Kevin 2021-10-07_WIT	00:00:21	CK_v13.44
	162:02 Q. But do you have any		
	162:03 basis to disagree with that statement?		
	162:04 A. I have no basis to disagree		
	162:05 with your statement.		
	162:06 Q. Philip Morris has earned more		
	162:07 revenue from cigarettes smoked by American		
	162:08 kids than all other tobacco companies		
	162:09 combined.		
	162:10 Do you agree?		
162:13 - 162:18	Crosthwaite, Kevin 2021-10-07_WIT	00:00:14	CK_v13.45
	162:13 A. I have no doubt that Philip		
	162:14 Morris USA, given the size of it, at times,		
	162:15 its products got in the hands of an underage		
	162:16 consumer. I can't quantify to your		
	162:17 example -- I can't speak to it with		
	162:18 certainty.		
177:21 - 177:23	Crosthwaite, Kevin 2021-10-07_WIT	00:00:08	CK_v13.46
 CROSTHWAIT	177:21 Your next move was the chief		
E45004.1.5			
	177:22 growth officer of Altria?		
	177:23 A. I believe that is correct.		
178:17 - 179:09	Crosthwaite, Kevin 2021-10-07_WIT	00:00:42	CK_v13.47
	178:17 Q. Okay. So as chief growth		
	178:18 officer, you were hired by Howard Willard?		
	178:19 A. Yeah, I reported to Howard		
	178:20 Willard. I was already -- yes, I was in the		
	178:21 company and I reported to Howard.		
	178:22 Q. All right. Now, as chief		
	178:23 growth officer, I want to talk about some of		
	178:24 your responsibilities there.		
 Clear	178:25 You led the team that		
	179:01 negotiated Altria's \$12.8 billion investment		
	179:02 in JUUL that allowed Altria to take an		
	179:03 ownership position in the leading U.S. vapor		
	179:04 company, right?		
	179:05 A. I would not -- I would not		
	179:06 characterize I led the team negotiating. I		

CK_v13 - CROSTHWAITE, KEVIN SFUSD FINAL_PLAYED 04-27-23

DESIGNATION	SOURCE	DURATION	ID
	179:07 was not in that -- had that authority or 179:08 tasked in that capacity as leading the 179:09 negotiation with JLI.		
184:21 - 184:25	Crosthwaite, Kevin 2021-10-07_WIT	00:00:11	CK_v13.48
⌚ CROSTHWAIT E45015.1.1	184:21 Q. So I'm going to show you what's 184:22 been marked as the 2019 Notice of Annual 184:23 Meeting of Shareholders and Proxy Statement. 184:24 Do you see that? 184:25 A. I do see that.		
189:11 - 189:12	Crosthwaite, Kevin 2021-10-07_WIT	00:00:04	CK_v13.49
⌚ CROSTHWAIT E45015.44.1	189:11 Q. Okay. I'm going to draw your 189:12 attention now to page 31. There you are,		
189:13 - 189:14	Crosthwaite, Kevin 2021-10-07_WIT	00:00:05	CK_v13.50
⌚ CROSTHWAIT E45015.44.2	189:13 right? 189:14 A. Yes.		
189:23 - 189:24	Crosthwaite, Kevin 2021-10-07_WIT	00:00:04	CK_v13.51
⌚ CROSTHWAIT E45015.44.3	189:23 Q. Okay. So under the 2018 189:24 accomplish -- achievements, it says:		
190:08 - 190:19	Crosthwaite, Kevin 2021-10-07_WIT	00:00:29	CK_v13.52
	190:08 Q. Led the 190:09 team that negotiated our \$12.8 billion 190:10 investment in JUUL, representing a 35% 190:11 economic interest, thereby taking an 190:12 ownership position in the leading U.S. 190:13 e-vapor company with significant exposure to 190:14 international growth plans. 190:15 That was another one of your 190:16 2018 achievements, correct? 190:17 A. That's what -- yes, I would 190:18 agree that that was an accomplishment in 190:19 2018.		
203:09 - 203:12	Crosthwaite, Kevin 2021-10-07_WIT	00:00:17	CK_v13.53
	203:09 Q. Now, in early 2019, you were 203:10 promoted again within Altria, right? 203:11 A. Early 2019, I think I -- I		

CK_v13 - CROSTHWAITE, KEVIN SFUSD FINAL_PLAYED 04-27-23

DESIGNATION	SOURCE	DURATION	ID
	203:12 believe my grade level changed.		
207:06 - 207:19	Crosthwaite, Kevin 2021-10-07_WIT	00:00:50	CK_v13.54
	207:06 Q. Now, in the role you had as the		
	207:07 chief growth officer, you were responsible		
	207:08 for overseeing the overall return on Altria's		
	207:09 investment in JUUL, right?		
	207:10 A. Well, I don't know if I would		
	207:11 characterize it as the overall return. Are		
	207:12 you talking about post the investment time		
	207:13 period?		
	207:14 Q. Yes.		
	207:15 A. So Altria had no control over		
	207:16 JUUL. So there was, in essence, nothing I		
	207:17 could control. My role after the investment		
	207:18 was a board observer, and I was involved with		
	207:19 the early discussions on service agreements.		
215:12 - 215:16	Crosthwaite, Kevin 2021-10-07_WIT	00:00:14	CK_v13.55
🔗 CROSTHWAIT	215:12 your next		
E45004.1.6			
	215:13 role after growth officer at Altria was the		
	215:14 CEO of JUUL in September of 2019, right?		
	215:15 A. Yes, after I resigned from		
	215:16 Altria, I became CEO of JUUL.		
216:20 - 217:02	Crosthwaite, Kevin 2021-10-07_WIT	00:00:22	CK_v13.56
☒ Clear	216:20 Q. Mr. Crosthwaite, did JUUL		
	216:21 target youth with its marketing?		
	216:22 A. So, Ms. London, from my time as		
	216:23 CEO of JUUL, I have had a chance to go back		
	216:24 and look at the company's past marketing		
	216:25 executions, and I have not seen anywhere		
	217:01 where the company intentionally marketed to		
	217:02 youth.		
227:05 - 227:06	Crosthwaite, Kevin 2021-10-07_WIT	00:00:05	CK_v13.57
🔗 CROSTHWAIT	227:05 Q. I'm pulling up for you the		
E45018.1.3	227:06 Surgeon General's report of 2012.		
227:07 - 227:16	Crosthwaite, Kevin 2021-10-07_WIT	00:00:26	CK_v13.58
	227:07 I want to		
	227:08 talk to you about some additional conclusions		

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DESIGNATION	SOURCE	DURATION	ID
	227:09 here. 227:10 Now, the Surgeon General of the 227:11 United States, they actually went back and 227:12 looked at documents from your company when 227:13 you were there, Philip Morris, and other 227:14 tobacco companies, and they studied the 227:15 question of whether Philip Morris and other 227:16 companies targeted youth. Correct?		
227:20 - 227:23	Crosthwaite, Kevin 2021-10-07_WIT	00:00:07	CK_v13.59
	227:20 A. They very well could have, 227:21 Ms. London. I'm just not -- I'm not as 227:22 familiar with what studies they did in this 227:23 report.		
228:08 - 228:22	Crosthwaite, Kevin 2021-10-07_WIT	00:00:34	CK_v13.60
 CROSTHWAIT	228:08 Q. So I want to just 228:09 draw your attention to the first sentence.		
E45018.1.1	228:10 It says: There is strong empirical evidence, 228:11 along with the tobacco industry's own 228:12 internal documents and trial testimony, as 228:13 well as widely accepted principles of 228:14 advertising and marketing, that support the 228:15 conclusion that tobacco manufacturers' 228:16 advertising, marketing and promotions recruit 228:17 new users as youth and continue to reinforce 228:18 use as young adults. 228:19 Do you see that? 228:20 A. I see what it says. 228:21 Q. And do you have any basis to 228:22 disagree with that?		
228:25 - 229:20	Crosthwaite, Kevin 2021-10-07_WIT	00:00:53	CK_v13.61
	228:25 A. Yeah, I'm -- I have no -- I'm 229:01 not familiar with what exactly this looked at 229:02 to come to this conclusion, so I -- sitting 229:03 here, I don't have a reason to disagree with 229:04 what the Surgeon General report says, but I'm 229:05 just not familiar with what was looked at. 229:06 BY MS. LONDON: 229:07 Q. And it goes on to say:		
 CROSTHWAIT	E45018.1.4		

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DESIGNATION	SOURCE	DURATION	ID
	229:08 Hence, despite claims from cigarette 229:09 manufacturers that marketing and promotion of 229:10 their products are intended to increase 229:11 market share and promote brand loyalty among 229:12 adult consumers, the evidence presented in 229:13 this chapter is sufficient to conclude that 229:14 marketing efforts and promotion by tobacco 229:15 companies show a consistent dose-response 229:16 relationship in the initiation and 229:17 progression of tobacco use among young 229:18 people. 229:19 Do you see that? 229:20 A. I'm just reading. I see it.		
230:16 - 230:20	Crosthwaite, Kevin 2021-10-07_WIT	00:00:10	CK_v13.62
<input checked="" type="checkbox"/> Clear	230:16 Q. Would you agree with me that 230:17 young adults are a prime target for tobacco 230:18 marketing because messages that are aimed at 230:19 that group also attract the attention of 230:20 younger customers?		
230:24 - 231:14	Crosthwaite, Kevin 2021-10-07_WIT	00:00:37	CK_v13.63
	230:24 A. So first I would say, first and 230:25 foremost, we're talking about creating 231:01 communications to existing consumers, adult 231:02 smokers. And if I misunderstood your 231:03 question, I just wanted to be clear so -- and 231:04 I can't speak to the other tobacco companies, 231:05 but at my time at Altria or Philip Morris 231:06 USA, it was always about communications 231:07 designed for existing cigarette consumers. 231:08 MS. LONDON: And I want to pull 231:09 up Demonstrative H.		
<input checked="" type="checkbox"/> CROSTHWAITE E45019.1.1	231:10 (Whereupon, Deposition Exhibit 231:11 Crosthwaite-45019, Demonstrative, 231:12 Excerpt from 2012 Surgeon General 231:13 Report, was marked for 231:14 identification.)		
232:06 - 232:18	Crosthwaite, Kevin 2021-10-07_WIT	00:00:33	CK_v13.64
	232:06 Q. JUUL Labs, it defers to the 232:07 expertise of the Surgeon General when it		

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DESIGNATION	SOURCE	DURATION	ID
	232:08 comes to matters of smoking and health, 232:09 right? 232:10 A. Yeah. We encourage consumers 232:11 to refer to the Surgeon General, CDC, FDA, 232:12 for matters like that. 232:13 Q. Okay. So I'm showing you a 232:14 portion of the CDC's booklet that came out 232:15 with the 2012 Surgeon General's report. It 232:16 says: We can make the next generation		
🔗 CROSTHWAIT E45019.1.2	232:17 tobacco free. 232:18 Do you see that cover?		
233:04 - 233:10	Crosthwaite, Kevin 2021-10-07_WIT	00:00:17	CK_v13.65
	233:04 A. Yes, I see that. 233:05 Q. Now, according to the CDC and 233:06 the Surgeon General here, it states: Why the		
🔗 CROSTHWAIT E45019.1.3	233:07 industry targets young people. It says: 233:08 Young people are a prime market for tobacco 233:09 products. 233:10 You agree with that?		
233:20 - 233:24	Crosthwaite, Kevin 2021-10-07_WIT	00:00:10	CK_v13.66
	233:20 A. So when this document -- when I 233:21 read that sentence you've highlighted, "Young 233:22 people are a prime market for tobacco 233:23 products," I don't necessarily agree with 233:24 that.		
234:02 - 234:06	Crosthwaite, Kevin 2021-10-07_WIT	00:00:10	CK_v13.67
🔗 CROSTHWAIT E45019.1.4	234:02 Q. Okay. Now let's go on to the 234:03 next sentence: With smoking among adults 234:04 declining, tobacco makers need to replace 234:05 long-term users who have quit or died. 234:06 Do you agree with that?		
234:10 - 234:13	Crosthwaite, Kevin 2021-10-07_WIT	00:00:11	CK_v13.68
	234:10 A. Yeah, from my time at Philip 234:11 Morris USA, we were not trying to turn a 234:12 nonuser of cigarettes into a new user of 234:13 cigarettes.		

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DESIGNATION	SOURCE	DURATION	ID
234:15 - 235:04	Crosthwaite, Kevin 2021-10-07_WIT	00:00:36	CK_v13.69
⌚ CROSTHWAIT E45019.1.5	<p>234:15 Q. It goes on to say: So the</p> <p>234:16 tobacco industry recruits replacement smokers</p> <p>234:17 from youth and young adults, the age groups</p> <p>234:18 in which 99% of tobacco use begins.</p> <p>234:19 Do you agree?</p> <p>234:20 A. From my experience, I don't</p> <p>234:21 agree that that is what I would say took</p> <p>234:22 place when I was at PM USA, that we were</p> <p>234:23 recruiting nonusers and youth into the</p> <p>234:24 cigarette business.</p>		
⌚ CROSTHWAIT E45019.1.6	<p>234:25 Q. And it goes on to say: Young</p> <p>235:01 adults are a prime target for tobacco</p> <p>235:02 advertising and marketing.</p> <p>235:03 I take it you disagree with</p> <p>235:04 that, right?</p>		
235:07 - 235:23	Crosthwaite, Kevin 2021-10-07_WIT	00:00:50	CK_v13.70
	<p>235:07 A. Young adult smokers were an</p> <p>235:08 audience that was relevant to -- at least for</p> <p>235:09 my experience at PM USA, but not young adults</p> <p>235:10 who are not currently using tobacco products.</p> <p>235:11 BY MS. LONDON:</p>		
⌚ CROSTHWAIT E45019.1.7	<p>235:12 Q. Okay. It goes on to say: And</p> <p>235:13 messages aimed at this age group also attract</p> <p>235:14 the attention of younger consumers, a plus</p> <p>235:15 for the tobacco industry.</p> <p>235:16 Agree?</p> <p>235:17 A. Well, again, I don't have a</p> <p>235:18 reason to disagree with who's writing this</p> <p>235:19 report. I can just speak to my experience.</p> <p>235:20 I don't -- I don't agree in the</p> <p>235:21 fact from what I witnessed and was a part of</p> <p>235:22 at PM USA, we did not want to attract young</p> <p>235:23 consumers who were not cigarette consumers.</p>		
236:11 - 236:18	Crosthwaite, Kevin 2021-10-07_WIT	00:00:19	CK_v13.71
	<p>236:11 BY MS. LONDON:</p>		
☒ Clear	236:12 Q. At some point along the way in		

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DESIGNATION	SOURCE	DURATION	ID
	236:13 your tenure at Philip Morris, you became 236:14 aware that cigarette -- the current number of 236:15 cigarette smokers had been declining for some 236:16 time, right? 236:17 A. Yes, the cigarette volume has 236:18 been declining for quite some time.		
244:17 - 245:03	Crosthwaite, Kevin 2021-10-07_WIT	00:00:29	CK_v13.72
<input checked="" type="checkbox"/> Clear	244:17 Q. So shortly after you joined, 244:18 Philip Morris reached a settlement agreement 244:19 with attorneys general across the country, 244:20 and it was known as the Master Settlement 244:21 Agreement, right? 244:22 A. That is my understanding. 244:23 Q. And that was in 1998? 244:24 A. As well my understanding, yes. 244:25 Q. Now, as part of the Master 245:01 Settlement Agreement, it banned certain 245:02 conduct from the industry to protect kids 245:03 against nicotine addiction, right?		
245:06 - 245:15	Crosthwaite, Kevin 2021-10-07_WIT	00:00:26	CK_v13.73
	245:06 A. So to me, the Master Settlement 245:07 Agreement had many aspects to it, including 245:08 limitations on advertising vehicles that 245:09 could be used for cigarette products. 245:10 BY MS. LONDON: 245:11 Q. And the reason that the Master 245:12 Settlement Agreement restricted the use of 245:13 those practices is because those practices 245:14 could cause kids to become addicted to 245:15 nicotine, right?		
245:17 - 246:03	Crosthwaite, Kevin 2021-10-07_WIT	00:00:27	CK_v13.74
	245:17 A. I think the spirit of those 245:18 limitations were wanting to minimize 245:19 unintended audiences from seeing cigarette 245:20 advertising. 245:21 BY MS. LONDON: 245:22 Q. The unintended audiences would 245:23 be young people, right? 245:24 A. Well, under legal age and 245:25 nonsmokers I would characterize as not being		

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DESIGNATION	SOURCE	DURATION	ID
	246:01 a target audience, but not necessarily just 246:02 young, because there are young smokers of 246:03 age, legal age.		
251:05 - 251:12	Crosthwaite, Kevin 2021-10-07_WIT	00:00:18	CK_v13.75
	251:05 is it correct that under the Master 251:06 Settlement Agreement, tobacco companies would 251:07 be banned from conduct that directly or 251:08 indirectly targets youth? 251:09 A. That is my understanding, that 251:10 cigarette manufacturers with the MSA would 251:11 not target -- be able to target underage 251:12 consumers.		
278:01 - 278:06	Crosthwaite, Kevin 2021-10-07_WIT	00:00:15	CK_v13.76
	278:01 BY MS. LONDON: 278:02 Q. Mr. Crosthwaite, moving along 278:03 in time, in 2009, Congress passed a law 278:04 called the Tobacco Control Act. 278:05 Do you recall that? 278:06 A. I do.		
278:15 - 278:17	Crosthwaite, Kevin 2021-10-07_WIT	00:00:04	CK_v13.77
	278:15 BY MS. LONDON: 278:16 Q. Okay. So let's pull up 278:17 Demonstrative -- I think it's AG.		
🔗 CROSTHWAIT E45026.1.1			
279:03 - 279:11	Crosthwaite, Kevin 2021-10-07_WIT	00:00:20	CK_v13.78
🔗 CROSTHWAIT E45026.1.2	279:03 It states: Advertising, 279:04 marketing and promotion of tobacco products 279:05 have been especially directed to attract 279:06 young persons to use tobacco products, and 279:07 these efforts have resulted in increased use 279:08 of such products by youth. 279:09 Do you see that? 279:10 A. I see what it says there in 279:11 number 15.		
279:12 - 279:21	Crosthwaite, Kevin 2021-10-07_WIT	00:00:27	CK_v13.79
	279:12 Q. Now, this is in 2009, and this 279:13 is ten years after the Master Settlement 279:14 Agreement, right?		

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DESIGNATION	SOURCE	DURATION	ID
	279:15 A. Yes, seems about right, ten		
	279:16 years.		
🔗 CROSTHWAIT E45026.1.4	279:17 Q. It goes on to say: Past		
	279:18 efforts to oversee these activities have not		
	279:19 been successful in adequately preventing such		
	279:20 increased youth -- use, right?		
	279:21 A. That is what it says.		
282:24 - 283:04	Crosthwaite, Kevin 2021-10-07_WIT	00:00:13	CK_v13.80
☒ Clear	282:24 Q. Okay. Now, tobacco companies		
	282:25 under the Tobacco Control Act, they could no		
	283:01 longer sell cigarettes with any		
	283:02 characterizing flavors, other than tobacco		
	283:03 and menthol, right?		
	283:04 A. That is my understanding.		
283:25 - 284:02	Crosthwaite, Kevin 2021-10-07_WIT	00:00:08	CK_v13.81
	283:25 Q. Okay. And these measures were		
	284:01 put in place in the Tobacco Control Act to		
	284:02 protect kids from tobacco use, right?		
284:05 - 284:09	Crosthwaite, Kevin 2021-10-07_WIT	00:00:09	CK_v13.82
	284:05 A. I think the Tobacco Control		
	284:06 Act, you know, was -- was put in place		
	284:07 because it was what Congress thought was the		
	284:08 right, you know, framework to be putting in		
	284:09 place.		
284:18 - 284:22	Crosthwaite, Kevin 2021-10-07_WIT	00:00:17	CK_v13.83
	284:18 Q. Now, after 2009, Philip Morris		
	284:19 continued to develop new Marlboro products as		
	284:20 part of its line extensions, right?		
	284:21 A. Yeah, I believe the company		
	284:22 continued to work on its products.		
290:25 - 291:13	Crosthwaite, Kevin 2021-10-07_WIT	00:00:35	CK_v13.84
	290:25 Q. All right. Mr. Crosthwaite,		
	291:01 I'm pulling up what's been marked as 45028,		
🔗 CROSTHWAIT E45028.1.3	291:02 and this is an article in the Wall Street		
	291:03 Journal from November 28th of 2016. And this		
	291:04 has some images that are of Marlboro Black		
	291:05 cartons.		

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DESIGNATION	SOURCE	DURATION	ID
	291:06 Do you see that?		
	291:07 A. Yes, I do.		
🔗 CROSTHWAIT E45028.1.2	291:08 Q. Now, the article states: In		
	291:09 the five years since Marlboro Black was		
	291:10 introduced, it has done a lot to help Philip		
	291:11 Morris USA with its millennial problem.		
	291:12 Do you see that?		
	291:13 A. Yes, I see that.		
292:07 - 292:17	Crosthwaite, Kevin 2021-10-07_WIT	00:00:25	CK_v13.85
🔗 CROSTHWAIT E45028.2.1	292:07 Q. And I want to point you to,		
🔗 CROSTHWAIT E45028.2.2	292:08 under the word "Subscribe." It says: The		
	292:09 lower-priced cigarette offers what the		
	292:10 company calls a bold, modern take on		
	292:11 Marlboro -- think tattoos, black jeans and		
	292:12 motorcycles instead of Stetsons, blue jeans		
	292:13 and horses. It is marketed to young adults		
	292:14 with direct mail that looks more like a VIP		
	292:15 party invitation - black rimmed with white -		
	292:16 than junk mail.		
	292:17 Do you see that?		
293:02 - 293:03	Crosthwaite, Kevin 2021-10-07_WIT	00:00:03	CK_v13.86
	293:02 A. I'm sorry, Ms. London, I was --		
	293:03 yes, I do see what you highlighted.		
296:15 - 296:15	Crosthwaite, Kevin 2021-10-07_WIT	00:00:05	CK_v13.87
🔗 CROSTHWAIT E45028.2.3	296:15 So if you go to the third		
296:16 - 297:02	Crosthwaite, Kevin 2021-10-07_WIT	00:00:34	CK_v13.88
	296:16 paragraph there, it says: In the five years		
	296:17 since Marlboro Black was introduced, it has		
	296:18 done a lot to help Philip Morris USA with its		
	296:19 millennial problem. About 85% of young		
	296:20 adults don't smoke. Many who do smoke don't		
	296:21 like Marlboro. Its market share plunged		
	296:22 9 percentage points to 43% between 2005 and		
	296:23 2011, according to data on 18- to 25-year-old		
	296:24 smokers from the National Survey on Drug Use		

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DESIGNATION	SOURCE	DURATION	ID
	296:25 and Health. 297:01 Does that square with your 297:02 recollection, Mr. Crosthwaite?		
297:19 - 297:21	Crosthwaite, Kevin 2021-10-07_WIT	00:00:10	CK_v13.89
	297:19 A. I think it sounds generally 297:20 accurate. I'm just not -- again, I'm just 297:21 not familiar with that particular survey.		
297:23 - 298:06	Crosthwaite, Kevin 2021-10-07_WIT	00:00:21	CK_v13.90
🔗 CROSTHWAIT E45028.2.4	297:23 Q. It goes on to say: But Black 297:24 has breathed life into Marlboro. Since 297:25 grabbing more than 1% of U.S. cigarette 298:01 market share in its first year, the brand has 298:02 helped Marlboro reach an all-time high of 298:03 44.1% market share, according to Philip 298:04 Morris USA owner Altria Group. 298:05 Do you see that? 298:06 A. I do see that.		
299:24 - 300:02	Crosthwaite, Kevin 2021-10-07_WIT	00:00:10	CK_v13.91
🔗 CROSTHWAIT E45028.2.6	299:24 Q. she states: It's making 299:25 Marlboro relevant again. Right, that's what 300:01 she said about Marlboro Black? 300:02 A. That's what this says here.		
300:03 - 300:06	Crosthwaite, Kevin 2021-10-07_WIT	00:00:13	CK_v13.92
🔗 CROSTHWAIT E45028.2.7	300:03 Q. Ms. Herzog estimates 1% 300:04 market share is worth about \$320 million in 300:05 annual revenue for Altria, right? 300:06 A. That is what it says.		
317:06 - 317:11	Crosthwaite, Kevin 2021-10-07_WIT	00:00:15	CK_v13.93
☒ Clear	317:06 Q. Mr. Crosthwaite, is it your 317:07 testimony that Altria had no control over 317:08 JUUL? 317:09 A. So Altria is a minority 317:10 shareholder in JUUL and they do not have 317:11 control over the company.		
321:03 - 321:25	Crosthwaite, Kevin 2021-10-07_WIT	00:01:01	CK_v13.94
	321:03 Long before Altria invested in		

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DESIGNATION	SOURCE	DURATION	ID
	<p>321:04 JUUL, Altria saw that the future in tobacco</p> <p>321:05 products would depend on harnessing</p> <p>321:06 technology, right?</p> <p>321:07 A. Difficult for me to say exactly</p> <p>321:08 what -- how Altria as a company would</p> <p>321:09 characterize it.</p> <p>321:10 You know, my understanding at</p> <p>321:11 the time and had a strong point of view, is</p> <p>321:12 that for adult smokers, noncombustion formats</p> <p>321:13 were going to be very important to make</p> <p>321:14 progress with harm reduction. When I say</p> <p>321:15 noncombustion, formats that you don't combust</p> <p>321:16 tobacco.</p> <p>321:17 And having worked on a variety</p> <p>321:18 of different formats, yes, I think technology</p> <p>321:19 is really important for products that utilize</p> <p>321:20 technology in order to deliver an experience</p> <p>321:21 like cigarettes for adult smokers.</p> <p>321:22 So that, I'm sure, was -- I</p> <p>321:23 know for me that was a strong point of view</p> <p>321:24 at the time, and -- but I just don't want to</p> <p>321:25 speak for Altria in general.</p>		
358:07 - 359:03	<p>Crosthwaite, Kevin 2021-10-07_WIT</p> <p>358:07 Q. Now, you did personally take a</p> <p>358:08 trip out to San Francisco to meet with JUUL's</p> <p>358:09 founders in April of 2017, right?</p> <p>358:10 A. I think I met with -- yes, I</p> <p>358:11 did go to San Francisco. I don't remember</p> <p>358:12 the exact -- the exact date. I had a chance</p> <p>358:13 to meet the CEO of JUUL, Tyler, I think his</p> <p>358:14 name, Goldman, at the time. And I met James</p> <p>358:15 Monsees. But I did not at that time meet the</p> <p>358:16 other founder.</p> <p>358:17 Q. What do you recall about that</p> <p>358:18 visit?</p> <p>358:19 A. It was a -- there were two</p> <p>358:20 other members of the Altria Group that were</p> <p>358:21 there. I recall meeting Tyler and, you know,</p> <p>358:22 talking with him about their business,</p> <p>358:23 talking to him about was there ever a way the</p>	00:01:05	CK_v13.95

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DESIGNATION	SOURCE	DURATION	ID
	358:24 two companies could think about engaging 358:25 together. It was really an introductory 359:01 meeting, I think. I believe, at least for 359:02 me, that was the first time meeting someone 359:03 at JLI.		
359:04 - 359:19	Crosthwaite, Kevin 2021-10-07_WIT	00:00:34	CK_v13.96
	359:04 Q. And at that time, what was your 359:05 intention for the meeting? What was your 359:06 goal? 359:07 A. Thinking back to that meeting, 359:08 it was really an introductory meeting. I 359:09 think we were just trying to better 359:10 understand, you know, who the people are at 359:11 JUUL and meet them and see if anything made 359:12 sense to talk about between me, the two 359:13 companies. 359:14 I don't think we had -- I don't 359:15 recall if there was a specific goal. Maybe 359:16 we were thinking about partnership ways or 359:17 ways we would invest in JUUL. It could have 359:18 been by then. I just don't recall the exact 359:19 timing.		
365:03 - 365:16	Crosthwaite, Kevin 2021-10-07_WIT	00:00:46	CK_v13.97
	365:03 Q. Okay. A lot of growth 365:04 happening in JUUL in 2018. Did that surprise 365:05 you based on what you had seen in early 2017, 365:06 when you last visited JUUL? 365:07 A. Yeah, I don't recall if I 365:08 visited them -- maybe it was early 2017. 365:09 Again, I'm getting the dates confused. 365:10 I think the growth that I saw 365:11 of JUUL was unlike other -- anything I had 365:12 seen for other alternatives to combustion 365:13 products in the market. So in that case, I 365:14 think the growth was surprising because I 365:15 hadn't seen anything resonate so much with an 365:16 adult smoker.		
365:17 - 365:23	Crosthwaite, Kevin 2021-10-07_WIT	00:00:22	CK_v13.98
	365:17 Q. Now, at that time, while you 365:18 were the CEO of Philip Morris USA, were you		

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DESIGNATION	SOURCE	DURATION	ID
	<p>365:19 concerned that JUUL's growth was going to cut</p> <p>365:20 into your core business of combustible</p> <p>365:21 cigarettes?</p> <p>365:22 A. I don't recall being concerned,</p> <p>365:23 you know, at PM USA.</p>		
384:08 - 384:21	Crosthwaite, Kevin 2021-10-07_WIT	00:00:37	CK_v13.99
	<p>384:08 Q. And the success in converting</p> <p>384:09 adult smokers, that was based on looking at,</p> <p>384:10 one, the decline in cigarettes, and two, the</p> <p>384:11 growth in JUUL, correct?</p> <p>384:12 A. Well, also understanding how</p> <p>384:13 the product was designed. And JUUL was</p> <p>384:14 designed from the beginning to essentially</p> <p>384:15 replace the use of a cigarette and offer a</p> <p>384:16 cigarette-like experience.</p> <p>384:17 That was -- while it's</p> <p>384:18 difficult to read what's happening in the</p> <p>384:19 moment, that was another factor in</p> <p>384:20 understanding the impact that JUUL could have</p> <p>384:21 to convert adult smokers.</p>		
386:04 - 386:09	Crosthwaite, Kevin 2021-10-07_WIT	00:00:17	CK_v13.100
	<p>386:04 Q. Are you aware of Altria doing</p> <p>386:05 any studies to look at whether the growth it</p> <p>386:06 was seeing in JUUL might have come from some</p> <p>386:07 other source than just cigarette smokers?</p> <p>386:08 A. I'm not aware of the studies</p> <p>386:09 that they have done or they would have done.</p>		
426:12 - 426:16	Crosthwaite, Kevin 2021-10-08_WIT	00:00:15	CK_v13.101
	<p>426:12 Q. Now, at the end of the day,</p> <p>426:13 Altria moved forward and closed the deal with</p> <p>426:14 JUUL's -- with JUUL's investors because it</p> <p>426:15 would pay off handsomely for Altria and for</p> <p>426:16 JUUL's investors, right?</p>		
426:18 - 427:05	Crosthwaite, Kevin 2021-10-08_WIT	00:00:29	CK_v13.102
	<p>426:18 A. Yeah, I don't know -- I don't</p> <p>426:19 know if I would use the word "pay off</p> <p>426:20 handsomely." I know Altria, when they made</p> <p>426:21 their investment, thought it was a good</p> <p>426:22 strategic investment for their company, and I</p>		

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DESIGNATION	SOURCE	DURATION	ID
	426:23 believe that the JUUL shareholders thought it 426:24 was a good investment for JUUL as well. 426:25 BY MS. LONDON: 427:01 Q. When you say a good investment 427:02 for JUUL, all the money went to the 427:03 investors, though, right? 427:04 A. Yes. I think all but a small 427:05 portion of the money went to shareholders.		
428:04 - 428:06	Crosthwaite, Kevin 2021-10-08_WIT	00:00:07	CK_v13.103
	428:04 Altria paid JUUL's investors 428:05 the money right upon close, right? 428:06 A. Correct.		
429:06 - 429:09	Crosthwaite, Kevin 2021-10-08_WIT	00:00:10	CK_v13.104
	429:06 Q. Is it your testimony, 429:07 Mr. Crosthwaite, that JUUL made a completely 429:08 independent decision to hire you as CEO? 429:09 A. That is my testimony.		
429:17 - 430:05	Crosthwaite, Kevin 2021-10-08_WIT	00:00:37	CK_v13.105
	429:17 Q. And Altria had nothing to do 429:18 with the decision. Is that your testimony? 429:19 A. They certainly had nothing -- I 429:20 can tell you from myself personally, nothing 429:21 do with my decision, and I believe that the 429:22 JLI board made an independent decision to 429:23 hire me. 429:24 Q. Is it your testimony that 429:25 Altria did not have any influence over JUUL's 430:01 decision to fire Kevin Burns? 430:02 A. I do not believe Altria 430:03 influenced the independent decision that I 430:04 think the JLI board made at the time of the 430:05 CEO transition.		
430:06 - 430:10	Crosthwaite, Kevin 2021-10-08_WIT	00:00:11	CK_v13.106
	430:06 Q. In January of 2019 you became a 430:07 board observer on behalf of Altria to JUUL's 430:08 board? 430:09 A. Yes, I think shortly after the 430:10 transaction closed.		
430:11 - 430:20	Crosthwaite, Kevin 2021-10-08_WIT	00:00:26	CK_v13.107

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DESIGNATION	SOURCE	DURATION	ID
	<p>430:11 Q. And as observer, your goal was</p> <p>430:12 to help guide the strategic direction of JUUL</p> <p>430:13 to your best ability to do so given that you</p> <p>430:14 were just an observer and not a full board</p> <p>430:15 member, right?</p> <p>430:16 A. Yes, I was an observer. There</p> <p>430:17 were certain information rights that I could</p> <p>430:18 hear, and then there's a lot of the strategic</p> <p>430:19 conversations that the observer status wasn't</p> <p>430:20 entitled to be a part of.</p>		CK_v13.107
430:21 - 431:06	Crosthwaite, Kevin 2021-10-08_WIT	00:00:24	CK_v13.108
	<p>430:21 Q. Right. But as far as your</p> <p>430:22 ability to provide strategic guidance, that</p> <p>430:23 was one of your jobs as the board observer,</p> <p>430:24 at least from Altria's perspective, that you</p> <p>430:25 could provide some strategic guidance to</p> <p>431:01 JUUL's board, right?</p> <p>431:02 A. I could offer perspective on</p> <p>431:03 business, share my point of view. I wasn't</p> <p>431:04 able to vote, and like I said, there were</p> <p>431:05 also several strategic topics that just the</p> <p>431:06 observer seat is not authorized to be in.</p>		
456:17 - 457:01	Crosthwaite, Kevin 2021-10-08_WIT	00:00:20	CK_v13.109
	<p>456:17 BY MS. LONDON:</p> <p>456:18 Q. Mr. Crosthwaite, I'm showing</p> <p>E45037.1.1</p> <p>456:19 you what's been marked as Exhibit 45037.</p> <p>456:20 This is an e-mail from Kristen Killea to</p> <p>456:21 yourself on May 21st of 2019.</p> <p>456:22 Do you see that?</p> <p>456:23 A. Yes, I do.</p> <p>456:24 Q. And the subject is PMTA</p> <p>456:25 Analysis.</p> <p>457:01 A. Yes.</p>		
460:14 - 460:16	Crosthwaite, Kevin 2021-10-08_WIT	00:00:10	CK_v13.110
	<p>460:14 Q. Okay. Now, if you can go then</p> <p>460:15 to -- the next couple of scenarios, if you</p> <p>460:16 move to page 8 of this document. So Altria</p> <p>E45037.16.1</p>		

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DESIGNATION	SOURCE	DURATION	ID
460:17 - 460:23	Crosthwaite, Kevin 2021-10-08_WIT	00:00:18	CK_v13.111
🔗 CROSTHWAIT E45037.16.2	460:17 also modeled a couple of scenarios. Scenario 1 is the JUUL PMTA is rejected. 460:19 Do you see that? 460:20 A. I see the title. 460:21 Q. And it goes through some of Altria's considerations in that event. 460:22 Altria's considerations in that event. 460:23 Do you see it?		
461:02 - 461:14	Crosthwaite, Kevin 2021-10-08_WIT	00:00:20	CK_v13.112
🔗 CROSTHWAIT E45037.16.3	461:02 A. I see that. 461:03 BY MS. LONDON: 461:04 Q. So under Scenario 1, if JUUL's PMTA is rejected, Altria's investor narrative, number one is that the JUUL investment was a hedge. 461:05 A. I see that. 461:06 Q. And that the loss of future investment was a hedge. 461:07 Do you see that? 461:08 A. I see that. 461:09 Q. And that the loss of future investment was a hedge. 461:10 A. I see that. 461:11 Q. And that the loss of future investment was a hedge. 461:12 A. I see that. 461:13 Q. And that the loss of future investment was a hedge. 461:14 A. I see that.		
464:06 - 464:08	Crosthwaite, Kevin 2021-10-08_WIT	00:00:05	CK_v13.113
☒ Clear	464:06 Q. we talked a little bit about James Wappler yesterday, but I want to go back to him for a moment.		
464:09 - 464:16	Crosthwaite, Kevin 2021-10-08_WIT	00:00:26	CK_v13.114
	464:09 Mr. Wappler, he was at Perella Weinberg Partners, right? 464:10 A. He was. I believe he still is. 464:11 Q. I'm not sure, but yes, at Perella Weinberg. 464:12 A. And Perella Weinberg, they were an advisor to Altria, right? 464:13 Q. Yes, Perella Weinberg provided advice and investment support for Altria.		
465:04 - 465:12	Crosthwaite, Kevin 2021-10-08_WIT	00:00:21	CK_v13.115

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DESIGNATION	SOURCE	DURATION	ID
	465:04 Mr. Wappler, he helped you 465:05 prepare for some discussions with JUUL about 465:06 a potential leadership role at the company, 465:07 right? 465:08 A. I can recall -- I had become 465:09 very friendly with James over the years -- 465:10 asking his advice on what I would -- if it 465:11 would be a good idea for me to do or not to. 465:12 I can remember discussing that with him.		CK_v13.115
483:04 - 483:09	Crosthwaite, Kevin 2021-10-08_WIT	00:00:18	CK_v13.116
🔗 CROSTHWAIT E45039.1.3	483:04 Q. I'm showing you 🔗 CROSTHWAIT E45039.1.4	483:05 what's been marked as Exhibit 45039. This is 483:06 an e-mail from you to Mr. Wappler on Sunday, 483:07 July 21st, 2019. 483:08 Do you see that? 483:09 A. Yes, I see that.	
483:10 - 483:21	Crosthwaite, Kevin 2021-10-08_WIT	00:00:30	CK_v13.117
	483:10 Q. And included in this e-mail is 483:11 David Wise. He reports to you at Altria at 483:12 this time, right? 483:13 A. I believe David Wise at this 483:14 time reported to Liz Mountjoy, I believe. 483:15 Q. And Liz Mountjoy reported to 483:16 you, correct? 483:17 A. Correct. 483:18 Q. And the subject is a scanned 483:19 document from Kevin C. Crosthwaite. 483:20 You see that? 483:21 A. I see that.		
483:25 - 484:02	Crosthwaite, Kevin 2021-10-08_WIT	00:00:07	CK_v13.118
🔗 CROSTHWAIT E45039.1.5	483:25 Q. And you write to Mr. Wappler 484:01 and Mr. Wise, you say: Good start. I made a 484:02 few suggested edits.		
484:03 - 484:06	Crosthwaite, Kevin 2021-10-08_WIT	00:00:06	CK_v13.119
	484:03 let's try and be specific in our action 484:04 items.		

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DESIGNATION	SOURCE	DURATION	ID
	484:05 Do you see that?		
	484:06 A. I see that.		
484:18 - 485:01	Crosthwaite, Kevin 2021-10-08_WIT	00:00:15	CK_v13.120
🔗 CROSTHWAIT E45039.2.5	484:18 It says: First and foremost,		
	484:19 as a public service announcement, quote, I'm		
	484:20 speaking as an individual today; I'm not		
	484:21 speaking on behalf of Altria.		
	484:22 That's what you say here,		
	484:23 right?		
	484:24 A. Yeah, I don't -- I don't think		
	484:25 I actually wrote this document, but that is		
	485:01 what it says.		
485:02 - 485:04	Crosthwaite, Kevin 2021-10-08_WIT	00:00:06	CK_v13.121
🔗 CROSTHWAIT E45039.2.7	485:02 Q. Okay. Well, then let's go down		
	485:03 to the one, two, three, four, five, sixth		
	485:04 bullet point.		
485:05 - 485:08	Crosthwaite, Kevin 2021-10-08_WIT	00:00:14	CK_v13.122
🔗 CROSTHWAIT E45039.2.6	485:05 It says: I believe JUUL is a		
	485:06 phenomenal technology company. And then in		
	485:07 handwriting it says: This was why I pushed		
	485:08 so hard to invest -- 12.8 B.		
485:09 - 485:12	Crosthwaite, Kevin 2021-10-08_WIT	00:00:04	CK_v13.123
	485:09 Do you see that?		
	485:10 A. I do see that.		
	485:11 Q. That's your handwriting, right?		
	485:12 A. It is.		
485:13 - 485:16	Crosthwaite, Kevin 2021-10-08_WIT	00:00:12	CK_v13.124
	485:13 Q. So you were marking up a draft		
	485:14 of comments, and then you scanned them back		
	485:15 to Mr. Wappler and Mr. Wise, right?		
	485:16 A. I think that's correct.		
485:17 - 485:21	Crosthwaite, Kevin 2021-10-08_WIT	00:00:09	CK_v13.125
	485:17 Q. Okay. So if you didn't agree		
	485:18 with something on here, you could have		
	485:19 crossed it out, right?		
	485:20 A. Sure, that's absolutely		

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DESIGNATION	SOURCE	DURATION	ID
	485:21 possible.		
486:08 - 486:10	Crosthwaite, Kevin 2021-10-08_WIT	00:00:08	CK_v13.126
🔗 CROSTHWAIT E45039.7.2	486:08 if you turn to 486:09 the very last page of the vision portion of 486:10 the document at the bottom of 96161, you'll		
486:11 - 486:16	Crosthwaite, Kevin 2021-10-08_WIT	00:00:18	CK_v13.127
🔗 CROSTHWAIT E45039.7.3	486:11 see that it says: My vision would be to turn 486:12 JUUL into a Marlboro of next-gen products, 486:13 resulting in a \$200 billion company, maybe 486:14 more. 486:15 That's what it says, right? 486:16 A. That's what that says.		
494:13 - 494:20	Crosthwaite, Kevin 2021-10-08_WIT	00:00:26	CK_v13.128
☒ Clear	494:13 Q. Now, you worked -- you worked 494:14 on developing some press release materials 494:15 announcing your position as CEO at JUUL back 494:16 in July of 2019, right? 494:17 A. I remember asking -- much as I 494:18 did with James and David -- for advice on how 494:19 something like that could even be talked 494:20 about.		
495:22 - 496:03	Crosthwaite, Kevin 2021-10-08_WIT	00:00:15	CK_v13.129
🔗 CROSTHWAIT E45041.1.1	495:22 BY MS. LONDON: 495:23 Q. Mr. Crosthwaite, I've marked		
🔗 CROSTHWAIT E45041.1.2	495:24 the next numbered exhibit as 45041. This is 495:25 an e-mail from Carina Davidson at Abernathy		
	496:01 MacGregor to you, Monday, July 22nd, 2019. 496:02 Do you see that? 496:03 A. I see that.		
496:04 - 496:12	Crosthwaite, Kevin 2021-10-08_WIT	00:00:21	CK_v13.130
🔗 CROSTHWAIT E45041.1.3	496:04 Q. It says: K.C., please see 496:05 attached revised versions of the press 496:06 release and letter, which include the changes 496:07 and additions we discussed. I also toned		

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DESIGNATION	SOURCE	DURATION	ID
	496:08 down the language re: Kevin. 496:09 Do you see that? 496:10 A. I see that.		
🔗 CROSTHWAIT E45041.2.1	496:11 Q. And if you go to the next page, 496:12 you'll see that it's a -- looks like a press		
496:13 - 496:19	Crosthwaite, Kevin 2021-10-08_WIT	00:00:17	CK_v13.131
🔗 CROSTHWAIT E45041.2.2	496:13 release draft. It says: JUUL Labs Inc. 496:14 Names K.C. Crosthwaite Chief Executive Officer. 496:15 Do you see that? 496:16 A. I see that.		
🔗 CROSTHWAIT E45041.4.1	496:18 Q. And then if you go on to Bates 496:19 number, bottom, 410670, it's a draft note to		
496:20 - 497:01	Crosthwaite, Kevin 2021-10-08_WIT	00:00:17	CK_v13.132
🔗 CROSTHWAIT E45041.4.2	496:20 employees. And it says: Team, we're pleased 496:21 to announce that the board of directors of 496:22 JUUL has unanimously appointed 496:23 K.C. Crosthwaite to become the company's new 496:24 CEO. 496:25 Do you see that? 497:01 A. I see that.		
501:04 - 501:07	Crosthwaite, Kevin 2021-10-08_WIT	00:00:11	CK_v13.133
	501:04 Q. At this time in July of 2019, 501:05 you were still working on a potential merger 501:06 with Philip Morris International, right? 501:07 A. In July, yes, I believe I was.		
501:08 - 501:22	Crosthwaite, Kevin 2021-10-08_WIT	00:00:44	CK_v13.134
☒ Clear	501:08 Q. Did you discuss at all in 501:09 your -- in any of your conversations with 501:10 Nick Pritzker or Riaz Valani about a 501:11 potential merger with Philip Morris 501:12 International? 501:13 A. I don't recall if we did. I 501:14 don't recall. 501:15 Q. Now, you did have a dinner,		

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DESIGNATION	SOURCE	DURATION	ID
	501:16 right, with leadership from Philip Morris 501:17 International and with Nick Pritzker and Riaz 501:18 Valani in San Francisco, correct? 501:19 A. Yes, we had a dinner. I think 501:20 there was a couple of members from Philip 501:21 Morris International at that dinner. I don't 501:22 remember the exact date of the dinner though.		
504:18 - 504:20	Crosthwaite, Kevin 2021-10-08_WIT	00:00:07	CK_v13.135
	504:18 Q. And Philip Morris wanted to see 504:19 JUUL's management change as part of the 504:20 merger, right?		
504:23 - 505:03	Crosthwaite, Kevin 2021-10-08_WIT	00:00:13	CK_v13.136
	504:23 A. Yeah, I know that, I think, 504:24 Philip Morris had a point of view, and I 504:25 don't want to speak for them about JUUL 505:01 leadership, but I don't recall it being -- 505:02 how it related to the merger happening or not 505:03 happening.		
507:02 - 507:13	Crosthwaite, Kevin 2021-10-08_WIT	00:00:34	CK_v13.137
	507:02 Q. Did you discuss with Philip 507:03 Morris International that you would be -- 507:04 excuse me, that Kevin Burns would be leaving 507:05 as CEO and there would be a new CEO at JUUL? 507:06 A. I don't recall exactly the 507:07 discussions that I had with Philip Morris 507:08 International -- others could have -- about 507:09 leadership at JUUL. 507:10 Philip Morris International was 507:11 clearly expressing their concerns about 507:12 leadership at JUUL, so I just don't recall 507:13 exactly, you know, what was said and when.		
507:21 - 508:13	Crosthwaite, Kevin 2021-10-08_WIT	00:00:35	CK_v13.138
	507:21 BY MS. LONDON: 🔗 CROSTHWAIT E45044.1.1 🔗 CROSTHWAIT E45044.1.2		
	507:22 Q. So I'm showing you what's been 507:23 marked as 45044. This is an e-mail from you 507:24 to Mr. Garnick on Friday, September the 13th, 507:25 2019.		

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DESIGNATION	SOURCE	DURATION	ID
	508:01 Do you see that?		
	508:02 A. I see it.		
🔗 CROSTHWAIT E45044.1.3	508:03 Q. And this is a message that you		
	508:04 forwarded from Ms. Salzman at Philip Morris		
	508:05 International, correct?		
	508:06 A. Yes, I see that.		
	508:07 Q. And the subject of her e-mail		
	508:08 to you was draft plan for CEO switch,		
	508:09 Jupiter.		
	508:10 Do you see that?		
	508:11 A. I see that.		
	508:12 Q. Jupiter is JUUL, right?		
	508:13 A. Yes, I believe so.		
528:06 - 528:15	Crosthwaite, Kevin 2021-10-08_WIT	00:00:20	CK_v13.139
☒ Clear	528:06 Q. when		
	528:07 you went to JUUL, you brought Joe Murillo		
	528:08 with you from Altria, correct?		
	528:09 A. So when I joined JUUL, I did		
	528:10 offer Joe Murillo a role, a very important		
	528:11 role, at JLI.		
	528:12 Q. He became part of JUUL's		
	528:13 leadership team?		
	528:14 A. Joe is part of JUUL's		
	528:15 leadership team.		
529:07 - 529:12	Crosthwaite, Kevin 2021-10-08_WIT	00:00:09	CK_v13.140
	529:07 BY MS. LONDON:		
	529:08 Q. Mr. Crosthwaite, you made the		
	529:09 decision for JUUL to stop mint sales in		
	529:10 November of 2019, right?		
	529:11 A. Yes, I think it was		
	529:12 November 2019.		
529:13 - 530:13	Crosthwaite, Kevin 2021-10-08_WIT	00:01:15	CK_v13.141
	529:13 Q. Can you tell me what led up to		
	529:14 that decision?		
	529:15 A. Yeah. So at that time, I was,		
	529:16 I think, two months into the job, and we had		
	529:17 gotten new information from an external		
	529:18 tracking study. I believe it's called		
	529:19 Monitoring the Future, and I saw at that time		

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DESIGNATION	SOURCE	DURATION	ID
	<p>529:20 that mint was a very, you know, attractive</p> <p>529:21 flavor that youth were getting access to</p> <p>529:22 across the category, and we had set out --</p> <p>529:23 from my first day, I did, on, you know,</p> <p>529:24 taking steps that I thought we could take to</p> <p>529:25 help deal with this issue.</p> <p>530:01 So when that data came out, it</p> <p>530:02 was a very difficult decision for the</p> <p>530:03 company, but that's when I decided to pull</p> <p>530:04 it.</p>		
	<p>530:05 Q. Now, is it your testimony that</p> <p>530:06 the first time that you saw that youth were</p> <p>530:07 getting access to mint was in November of</p> <p>530:08 2019?</p> <p>530:09 A. No, it was a particular study</p> <p>530:10 in November '19 that I saw that broke out</p> <p>530:11 more detail and brand detail, I believe, that</p> <p>530:12 I felt at that time when I saw that</p> <p>530:13 information, that we needed to pull it.</p>		
530:14 - 530:20	Crosthwaite, Kevin 2021-10-08_WIT	00:00:23	CK_v13.142
	<p>530:14 Q. But you had seen data going</p> <p>530:15 back to the fall of 2018 showing that youth</p> <p>530:16 were getting access to mint products, right?</p> <p>530:17 A. Yeah, I think the data in 2018,</p> <p>530:18 you know, showed that flavored products</p> <p>530:19 generally, youth were getting access to,</p> <p>530:20 including mint.</p>		
531:02 - 531:09	Crosthwaite, Kevin 2021-10-08_WIT	00:00:22	CK_v13.143
	<p>531:02 Q. Yeah. The third quarter of</p> <p>531:03 2018, you were aware that the sales of mint</p> <p>531:04 and menthol made up more than a third of</p> <p>531:05 JUUL's business?</p> <p>531:06 A. I'd say I was generally aware.</p> <p>531:07 I don't remember exactly the percentage then,</p> <p>531:08 but mint was a -- is a large part of the</p> <p>531:09 portfolio -- or was, of JUUL.</p>		
538:22 - 539:03	Crosthwaite, Kevin 2021-10-08_WIT	00:00:14	CK_v13.144
	<p>538:22 BY MS. LONDON:</p> <p>538:23 Q. So I'm going to show you what's</p>		
 CROSTHWAITE E45047.1.1			

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DESIGNATION	SOURCE	DURATION	ID
🔗 CROSTHWAIT E45047.1.2	538:24 been marked as 45047, and this is an e-mail 538:25 from Richard Farrell to you on February 8th 539:01 of 2019. 539:02 Do you see that? 539:03 A. I see that.		
539:04 - 539:06	Crosthwaite, Kevin 2021-10-08_WIT	00:00:07	CK_v13.145
	539:04 Q. And its subject is February 539:05 E-Vapor Business Update? 539:06 A. Yes, I see that.		
539:13 - 539:19	Crosthwaite, Kevin 2021-10-08_WIT	00:00:15	CK_v13.146
🔗 CROSTHWAIT E45047.1.3	539:13 Q. Okay. So by February of 2019, 539:14 one of the key takeaways is that prevalence 539:15 trends for e-vapor continue to be strong. 539:16 Correct? 539:17 A. That is what the -- you're 539:18 referring to the sentence there? Yes, that's 539:19 what it says.		
540:03 - 540:09	Crosthwaite, Kevin 2021-10-08_WIT	00:00:15	CK_v13.147
🔗 CROSTHWAIT E45047.1.4	540:03 Q. And then below in the next 540:04 bullet point, three down, it says: 540:05 Approximately 75% of JUUL blend volume has 540:06 shifted to JUUL mint/menthol at retail at 540:07 this time. 540:08 Do you see that? 540:09 A. Yes, I see that.		
540:13 - 540:22	Crosthwaite, Kevin 2021-10-08_WIT	00:00:32	CK_v13.148
	540:13 Q. Now, at that time, did you 540:14 consider telling JUUL, in your role as board 540:15 observer, hey, you might want to think about 540:16 being careful with mint? 540:17 A. I think the conversation, from 540:18 my recollection as a board observer in 2019, 540:19 is the company was trying to be careful with 540:20 everything, not just mint. There was a lot 540:21 of attention towards addressing the issue 540:22 where youth were getting access to e-vapor.		

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DESIGNATION	SOURCE	DURATION	ID
540:23 - 541:15	Crosthwaite, Kevin 2021-10-08_WIT	00:00:46	CK_v13.149
	540:23 Q. did		
	540:24 you tell JUUL that they should take mint off		
	540:25 the market when you saw this report in		
	541:01 February of 2019?		
	541:02 A. At that time in -- I did not		
	541:03 say to take mint off the market.		
	541:04 Q. And instead, you were focused		
	541:05 on making sure that the company kept mint and		
	541:06 menthol packs in stock, right?		
	541:07 A. I don't recall having that --		
	541:08 having that particular conversation. I think		
	541:09 generally, you know, having their product		
	541:10 available in retail stores was important to		
	541:11 do.		
	541:12 So there could have been a		
	541:13 conversation about the brand's distribution		
	541:14 or retail store coverage. I just don't		
	541:15 remember the specifics that you mentioned.		
544:08 - 544:14	Crosthwaite, Kevin 2021-10-08_WIT	00:00:15	CK_v13.150
<input checked="" type="checkbox"/> Clear	544:08 Q. you		
	544:09 acknowledge that youth usage rates had		
	544:10 escalated and become completely unacceptable,		
	544:11 right?		
	544:12 A. Are we talking now about when I		
	544:13 was CEO?		
	544:14 Q. Yes.		
544:15 - 544:23	Crosthwaite, Kevin 2021-10-08_WIT	00:00:26	CK_v13.151
	544:15 A. Yes, that was my view as --		
	544:16 starting as CEO of JUUL Labs.		
	544:17 Q. When you came -- when you		
	544:18 became CEO in September of 2019, you could		
	544:19 have pulled mint from the market at that		
	544:20 time, right?		
	544:21 A. On that -- on that day?		
	544:22 Q. Yeah.		
	544:23 A. That's possible, I could have.		
545:16 - 545:22	Crosthwaite, Kevin 2021-10-08_WIT	00:00:16	CK_v13.152
	545:16 Q. But you don't recall at any		
	545:17 point in time when you were at Altria, Altria		

CK_v13 - CROSTHWAITE, KEVIN SFUSD FINAL_PLAYED 04-27-23

DESIGNATION	SOURCE	DURATION	ID
	<p>545:18 telling JUUL, hey, you should remove mint or</p> <p>545:19 menthol?</p> <p>545:20 A. I don't recall Altria</p> <p>545:21 communicating to JUUL to remove mint and</p> <p>545:22 menthol.</p>		
547:09 - 547:13	Crosthwaite, Kevin 2021-10-08_WIT	00:00:13	CK_v13.153
	<p>547:09 Q. Now, you took mint off the</p> <p>547:10 market at that point and stopped the online</p> <p>547:11 sale of fruit and dessert flavors, correct?</p> <p>547:12 A. Yeah, at that time in November,</p> <p>547:13 yes.</p>		
553:01 - 553:05	Crosthwaite, Kevin 2021-10-08_WIT	00:00:03	CK_v13.154
🔗 CROSTHWAIT E45050.1.1	<p>553:01 Q. Let me pull up AD2.</p> <p>553:02 (Whereupon, Deposition Exhibit</p> <p>553:03 Crosthwaite-45050, Demonstrative,</p> <p>553:04 Excerpt from Letter to FDA re: PMTA,</p> <p>553:05 was marked for identification.)</p>		
553:06 - 553:06	Crosthwaite, Kevin 2021-10-08_WIT	00:00:01	CK_v13.155
	<p>553:06 THE STENOGRAPHER: 45050.</p>		
553:07 - 553:19	Crosthwaite, Kevin 2021-10-08_WIT	00:00:32	CK_v13.156
	<p>553:07 BY MS. LONDON:</p> <p>553:08 Q. So from January 26th, 2020 to</p> <p>553:09 December 27th, 2020, sales of</p> <p>553:10 menthol-flavored cartridge-based products</p> <p>553:11 like JUUL increased by 62% over this same</p> <p>553:12 time.</p> <p>553:13 That's what it says, right?</p> <p>553:14 A. That is what this says.</p> <p>553:15 Q. Menthol is now the top-selling</p> <p>553:16 e-cigarette flavor comprising 42% of the</p> <p>553:17 market as of December 2020, correct?</p> <p>553:18 A. That is what this paragraph</p> <p>553:19 says.</p>		
559:01 - 559:10	Crosthwaite, Kevin 2021-10-08_WIT	00:00:20	CK_v13.157
	<p>559:01 BY MS. LONDON:</p> <p>559:02 Q. Okay. And you're aware that</p> <p>559:03 the FDA has concluded in 2013 that menthol</p> <p>559:04 increases the number of teens who start</p>		

CK_v13 - CROSTHWAITE, KEVIN SFUSD FINAL_PLAYED 04-27-23

DESIGNATION	SOURCE	DURATION	ID
	559:05 smoking and become regular users, right? 559:06 A. I don't remember exactly what 559:07 they said in 2013. I have no reason to 559:08 disagree with what you're saying. I just 559:09 don't recall exactly what you're referring 559:10 to.		
570:02 - 571:02	Crosthwaite, Kevin 2021-10-08_WIT	00:01:06	CK_v13.158
 Clear	570:02 Q. Mr. Crosthwaite, you told me 570:03 you worked on Marlboro Smooth and Marlboro 570:04 Mild, correct? 570:05 A. I do remember working on 570:06 Marlboro Smooth and, yes, Marlboro Mild was 570:07 in the portfolio at Philip Morris USA. 570:08 Q. So you worked on products that 570:09 were designed to reduce the harshness of 570:10 smoke, right? 570:11 A. I think we worked on products 570:12 that we thought would be designed where a 570:13 menthol smoker would like that product versus 570:14 another product. 570:15 Q. You designed products that 570:16 would have a, quote, cooling effect, right? 570:17 A. Are you referring to menthol -- 570:18 menthol cigarettes in particular? 570:19 Q. Yes. 570:20 A. Yeah, I think menthol as a 570:21 flavor can have a cooling effect. 570:22 Q. And you personally worked on a 570:23 product called Marlboro Ice that was designed 570:24 to emphasize a cooling experience, right? 570:25 A. I do remember the Marlboro Ice 571:01 product being in the portfolio, and I can't 571:02 recall exactly how it was communicated.		
572:24 - 573:03	Crosthwaite, Kevin 2021-10-08_WIT	00:00:02	CK_v13.159
 CROSTHWAIT E45056.1.1	572:24 Q. Let's put up Demonstrative Z. 572:25 (Whereupon, Deposition Exhibit 573:01 Crosthwaite-45056, Demonstrative, CDC 573:02 Webpage, Menthol and Cigarettes, was 573:03 marked for identification.)		

CK_v13 - CROSTHWAITE, KEVIN SFUSD FINAL_PLAYED 04-27-23

DESIGNATION	SOURCE	DURATION	ID
573:06 - 573:16	Crosthwaite, Kevin 2021-10-08_WIT	00:00:23	CK_v13.160
⌚ CROSTHWAIT E45056.1.3	573:06 Q. Now, the CDC, that's one of the organizations that JUUL refers -- defers to their expertise on matters of smoking and health, right? 573:10 A. Yes. 573:11 Q. And the CDC there concludes, under Menthol and Cigarettes, it says: 573:13 Tobacco companies add menthol to make cigarettes seem less harsh and more appealing to new smokers and young people. 573:16 That's what it says, right?		
573:19 - 573:19	Crosthwaite, Kevin 2021-10-08_WIT	00:00:01	CK_v13.161
	573:19 A. Yeah.		
582:02 - 582:04	Crosthwaite, Kevin 2021-10-08_WIT	00:00:03	CK_v13.162
☒ Clear	582:02 MS. LONDON: Thank you, 582:03 Mr. Crosthwaite. Those are all the questions I have for you.		

PLF AFFIRMATIVE	00:42:58
DEF COUNTER	00:07:43
TOTAL RUN TIME	00:50:41



Documents linked to video:
 CROSTHWAITE45004
 CROSTHWAITE45005
 CROSTHWAITE45009
 CROSTHWAITE45015
 CROSTHWAITE45018
 CROSTHWAITE45019
 CROSTHWAITE45026
 CROSTHWAITE45028
 CROSTHWAITE45037
 CROSTHWAITE45039



CROSTHWAITE45041
CROSTHWAITE45044
CROSTHWAITE45047
CROSTHWAITE45050
CROSTHWAITE45056

EXHIBIT 2

[Submitting Counsel on Signature Page]

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

**IN RE JUUL LABS, INC.,
MARKETING, SALES PRACTICES,
AND PRODUCTS LIABILITY
LITIGATION**

Case No. 19-md-02913-WHO

**JOINT STIPULATION IDENTIFYING
TRIAL EXHIBITS USED IN THE
VIDEOTAPED DEPOSITION OF KEVIN
CROSTHWAITE PLAYED AT TRIAL**

This Document Relates to:

***San Francisco Unified School District v.
Juul Labs, Inc. et al., Case No. 3:19-cv-
08177***

WHEREAS, Plaintiff called Kevin Crosthwaite, whose videotaped deposition was played to the jury.

WHEREAS, the exhibit numbers in the videotaped deposition are different from the Trial Exhibit numbers.

WHEREAS, to most efficiently clarify the record, the parties, by and through their undersigned counsel, hereby stipulate and agree that the chart below accurately reflects the deposition exhibits introduced during the videotaped testimony of Kevin Crosthwaite and the corresponding Trial Exhibit Numbers¹:

¹ The parties reserve all objections regarding these exhibits.

DEPOSITION EXHIBIT NUMBER	TRIAL EXHIBIT NUMBER
Crosthwaite Exhibit 45004	Trial Exhibit 475
Crosthwaite Exhibit 45005	Trial Exhibit 476
Crosthwaite Exhibit 45009	Trial Exhibit 480
Crosthwaite Exhibit 45015	Trial Exhibit 486
Crosthwaite Exhibit 45018	Trial Exhibit 488
Crosthwaite Exhibit 45019	Trial Exhibit 489
Crosthwaite Exhibit 45026	Trial Exhibit 496
Crosthwaite Exhibit 45028	Trial Exhibit 498
Crosthwaite Exhibit 45037	Trial Exhibit 506
Crosthwaite Exhibit 45039	Trial Exhibit 507
Crosthwaite Exhibit 45041	Trial Exhibit 509
Crosthwaite Exhibit 45044	Trial Exhibit 512
Crosthwaite Exhibit 45047	Trial Exhibit 515
Crosthwaite Exhibit 45050	Trial Exhibit 519
Crosthwaite Exhibit 45056	Trial Exhibit 525

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